

Message Text

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FM AMEMBASSY PANAMA

TO SECSTATE WASHDC IMMEDIATE 3282

C O N F I D E N T I A L PANAMA 5983

FOR AMBASSADOR BUNKER FROM AMBASSADOR JORDEN

EO 11652: GDS

TAGS: PN PBOR PQ

SUBJECT: PANAMA CANAL TREATY: EMPLOYEE ASSURANCES

1. ON AUGUST 18 THE CANAL ZONE GOVERNMENT DISSEMINATED THE LIST OF EMPLOYEE ASSURANCES RECEIVED FROM THE SECRETARY OF THE ARMY. WE DO NOT KNOW YET HOW THE ASSURANCES WILL BE RECEIVED BUT IN MANY RESPECTS THEY ARE RESPONSIVE TO THE CONCERNS OF COMPANY/GOVERNMENT EMPLOYEES. IN TWO IMPORTANT ASPECTS THEY FALL SHORT OF THE GOVERNOR'S EXPECTATIONS AND WE HAVE DISCUSSED THESE DURING THE PAST FEW DAYS. THESE RELATE TO (A) PRIORITY PLACEMENT CONSIDERATION OF EMPLOYMENT BY THE USG AND (B) THE POSSIBILITY OF EARLY OPTIONAL RETIREMENT.

2. IT IS TO THE EARLY OPTIONAL RETIREMENT PROVISION THAT I WANT TO CALL YOUR ATTENTION WITH THE THOUGHT THAT IT IS STILL POSSIBLE TO RECONSIDER AND STRENGTHEN IT. IN MY VIEW, IT IS OF THE GREATEST IMPORTANCE FOR THE FUTURE EFFICIENT OPERATION OF THE CANAL THAT WE MINIMIZE DEPARTURES OF SKILLED PERSONNEL, ESPECIALLY OVER THE FIRST FEW YEARS AFTER THE TREATY ENTERS INTO FORCE. AS PRESENTLY DRAFTED, EARLY OPTIONAL RETIREMENT IS AVAILABLE ONLY TO EMPLOYEES WHOSE POSITIONS ARE ELIMINATED, REDUCED OR TRANSFERRED

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AS A RESULT OF THE TREATY, THE GOVERNOR ADVOCATES A BROADER PROVISION WHICH WOULD EXTEND TO ALL EMPLOYEES A "CONTINUING OPTION" FOR EARLY RETIREMENT THROUGHOUT THE LIFE OF THE TREATY. WHAT I RECOMMEND FALLS IN BETWEEN. I BELIEVE THAT IF WE COULD OFFER AN OPTION FOR EARLY RETIREMENT FOR A PERIOD OF SAY 5 OR 10 YEARS, WE WOULD BE PROVIDING MORE THAN ADEQUATE

ASSURANCES OVER THAT CRITICAL INITIAL PERIOD AND
ENCOURAGING THE EMPLOYEES TO GIVE CONTINUED EMPLOYMENT
WITH THE NEW ENTITY A FAIR TRIAL.

3. ONE GROUP I AM PARTICULARLY CONCERNED ABOUT IS THE PILOTS. THIS BODY OF SPECIALISTS IS ESSENTIAL FOR EFFICIENT CANAL OPERATIONS, AND ANY SIGNIFICANT EXODUS COULD PLAY HAVOC WITH THE FLOW OF TRAFFIC. WE ESPECIALLY NEED TO KEEP IN PLACE THOSE PILOTS WHO HAVE FOUR OR FIVE YEARS OPERATING EXPERIENCE. IF THOSE NOW WORKING--AND THOSE HIRED OVER THE NEXT FIVE YEARS OR SO--KNEW THEY HAD THE EARLY RETIREMENT OPTION, I AM PERSUADED IT WOULD GREATLY ENHANCE OUR ABILITY TO KEEP THEM IN PLACE AND ATTRACT NEW ONES OVER THESE NEXT CRITICAL YEARS OF TRANSITION. INCIDENTALLY, THE PILOTS ARE QUITE READY TO HELP IN AN EFFECTIVE TRAINING PROGRAM TO DEVELOP QUALIFIED PANAMANIAN PILOTS.

4. A CONTINUING OPTION FOR EARLY RETIREMENT SHOULD ALSO HAVE A POSITIVE EFFECT ON THE AFL-CIO WHOSE ENDORSEMENT OF THE TREATY IS OF CRITICAL IMPORTANCE, AS YOU KNOW.

5. I URGE YOU GIVE FAVORABLE CONSIDERATION TO THIS PROPOSAL. I HAVE GIVEN CLIFF ALEXANDER A BRIEF SUMMARY OF THIS VIEW WHEN WE WERE DISCUSSING ANOTHER MATTER
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YESTERDAY. BUT YOU AND SOL MAY WISH TO GO INTO IT WITH HIM IN MORE DETAIL. MANY THANKS.

JORDEN

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